

**IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF SOUTH CAROLINA
SPARTANBURG DIVISION**

Blockquarry Corp. f/k/a ISW Holdings, Inc.,)

Plaintiff,

v.

Litchain Corp. and Gaffney Board of Public Works,

Defendants.

Civil Action No. 7:23-cv-01427-TMC

DECLARATION OF H. BRADFORD WRIGHT

Gaffney Board of Public Works,

Defendant/Counter and)
Crossclaimant,)

v.

Blockquarry Corp. f/k/a ISW Holdings, Inc.,)

Counterclaim Defendant,)

and

Litchain Corp.,)

Crossclaim Defendant.)

Pursuant to 28 U.S.C. § 1746, H. Bradford Wright declares as follows:

1. I am over eighteen years of age and competent to testify in the instant case.
2. I am employed by Gaffney Board of Public Works ("Gaffney BPW") as the Electrical Superintendent and have served in that capacity at all times relevant to the claims made in the Complaint for Declaratory Judgment, Injunction, and Damages (the "Complaint").
3. The statements made in this declaration are made to the best of my information and belief.

Blockquarry's Visits to the Premises

4. Shawn Vaught and Lawrence Davis made two unannounced visits to the cryptocurrency mining site on the property of Gaffney BPW (the "Premises" or "site") at issue in the Complaint. The second occurred on October 11, 2023 (the "Second Unannounced Visit") and the first occurred sometime prior to October 11, 2023 (the "First Unannounced Visit").

5. During their First Unannounced Visit, Vaught and Davis appeared on the Premises, held themselves out as repossession agents for a third party seeking to collect equipment kept on the Premises by Blockquarry Corp. f/k/a ISW Holdings, Inc. ("Blockquarry"), and requested access to the Premises to view the site, inventory the assets, and come up with a plan for removing the equipment.

6. When I became aware of the First Unannounced Visit, I spoke to Vaught and Davis regarding their request and informed them that due to the pending lawsuit, I could not grant access to the Premises and the cryptocurrency mining equipment locked on the Premises could not be released until ordered by the court or the lawsuit ended.

7. When I approached the Premises to speak with Vaught and Davis during their First Unannounced Visit, one of the men was standing on the back of a truck in the parking lot and appeared to be looking over the fence at the site. After I informed Vaught and Davis that I could not grant access to the Premises, they asked questions relating to the cryptocurrency mining site and the manner in which it was built, including questions regarding the number of storage containers (also referred to as "pods") onsite, the number of servers, the electrical capacity, and the manner in which the containers were originally placed on site. At no point during this or any conversations thereafter did Vaught or Davis express concerns regarding the security of the Premises.

8. The Second Unannounced Visit occurred on October 11, 2023. This time, Vaught and Davis returned and were accompanied by several other individuals, including Beau Bartch, and had multiple trucks, large machinery, and other equipment with them for the purpose of collecting the cryptocurrency mining equipment from the Premises. This time they held themselves out as repossession agents for a third party and/or contractors for Blockquarry seeking to collect the cryptocurrency mining equipment on the Premises.

9. I informed Vaught, Davis, and the others that the equipment could not be released without a court order requiring the distribution or the conclusion of the lawsuit. The gentlemen present then purported to make multiple attempts to contact counsel for Blockquarry to obtain documentation that the court had ordered the release of the equipment. They could not produce the requested documentation (because it did not exist) and eventually left the Premises.

10. At no point during this Second Unannounced Visit did Vaught, Davis, Bartch, or anyone else express concerns to me about the security of the Premises or point out a cloth on the top of the razor-topped fence surrounding the Premises.

11. It is my understanding that following the default of Litchain Corp. ("Litchain"), Blockquarry and Gaffney BPW agreed to a date of October 19, 2023, for representatives of Blockquarry to access the Premises, inventory the cryptocurrency mining equipment, and develop a plan for the release of the equipment.

12. On October 19, 2023, approximately eight individuals visited the Premises on behalf of Blockquarry, including Vaught, Davis, and Bartch. While on the Premises, the Blockquarry representatives were monitored by employees of Gaffney BPW, including me, to ensure nothing was removed from the site.

13. While under the supervision of employees of Gaffney BPW, including me, the Blockquarry representatives walked the Premises and went into the containers. The employees of Gaffney BPW did not go into the containers with the Blockquarry representatives and instead monitored the process from outside.

14. On October 19, 2023, the Blockquarry representatives stayed on the Premises for approximately two-to-three hours and left. I did not observe Bartch place markers on the containers prior to leaving on October 19, 2023, and I never noticed markers on the containers during or following the visit on October 19, 2023.

15. To my knowledge, while on the Premises, none of the Blockquarry representatives pointed out the hole in the fence surrounding the perimeter to me or any other Gaffney BPW employees, nobody asked me or any other Gaffney BPW employees about the removal of a truck from the Premises, and nobody expressed concerns to me or other Gaffney BPW employees about the security of the Premises.

16. It is my understanding that Gaffney BPW and Blockquarry agreed to a date of November 6, 2023, to begin the process of retrieving the cryptocurrency mining equipment from the Premises. Approximately four Blockquarry representatives, including Davis, returned on November 6, 2023, to begin the collection process. Again, the Blockquarry representatives were monitored by employees of Gaffney BPW at all times while onsite for the retrieval of the cryptocurrency mining equipment.

17. On November 6, 2023, the Blockquarry representatives appeared midday, walked the Premises, went into the containers, and left around 2:00 p.m. Once again, the Gaffney BPW

employees present monitored the process from outside of the containers. The Blockquarry representatives did not remove any equipment that date.

18. When present on the Premises on November 6, 2023, none of the Blockquarry representatives present informed me or other employees of Gaffney BPW that markers placed on the containers on October 11, 2023, were no longer present, that there were missing and/or additional miners present in certain containers, or expressed any concerns whatsoever regarding the security of the Premises.

19. The Blockquarry representatives, including Vaught, Davis, and Bartch, returned to the Premises on November 7, 2023, to continue the collection efforts. This time, the representatives brought extensive machinery and equipment to the sight and began to remove the cryptocurrency mining equipment. When the representatives left on November 7, 2023, none of them, including Vaught, Davis, and Bartch, informed me or other employees of Gaffney BPW that markers placed on the containers on October 11, 2023, were no longer present, that there were missing and additional miners present in certain containers, or expressed any concerns whatsoever regarding the security of the Premises.

20. The Blockquarry representatives continued the collection process through November 16, 2023, and employees of Gaffney BPW, including me, were present each day to monitor the process. At no point from November 6, 2023, through November 16, 2023, or any time prior to or thereafter, did the Blockquarry representatives, including Vaught, Davis, and Bartch, inform me or other Gaffney BPW employees that there were concerns that someone, other than the Blockquarry representatives with authorization by Gaffney BPW, had been present on the Premises and inside the containers without authorization.

Hole in Fence

21. I first became aware of the hole(s) in the razor-topped fence surrounding the Premises on January 18, 2024, when notified of the allegations contained in the Declaration of Lawrence Davis, Declaration of Beau Bartch, and Declaration of Shawn Vaught. At that time, I inspected the perimeter of the Premises and located two holes – one at the bottom of the fence with rocks nearby that appeared to have been created by a dog and a second shortly above the bottom hole that appeared to be a slash that had been pulled together using zip ties in a rudimentary attempt to repair the fence.

22. True and correct copies of the photographs of the fence taken by me on January 18, 2024, are attached hereto as “Exhibit A.” The photographs depict the afore-described holes.

23. I took these photos from the inside of the Premises. As you can tell in the photographs, the zip ties are facing the inside of the fence, indicating that whoever placed them on the fence was standing inside the Premises at the time of repair. Therefore, the repair could have only been made by somebody with access to the site.

24. Gaffney BPW did not and would not have repaired the fence using zip ties, leading me to suspect that Blockquarry or somebody working with Blockquarry repaired the fence using zip times at some point when Blockquarry was actively using the Premises as a cryptocurrency mining site.

Black Cloth Over the Fence

25. A razor-topped fence lined with black cloth surrounding the Premises was constructed by Litchain, Blockquarry, or somebody on their behalf when constructing the cryptocurrency mining site.

26. The wind frequently blows the black cloth and causes it to get stuck on the razor on the top of the fence. This occurred when the Premises was actively used as a cryptocurrency mining site and continues to occur today.

27. Gaffney BPW did not place the black cloth lining along the fence, did not cause the back cloth lining to be placed along the fence, and has never been asked to remove the black cloth lining from the fence

Security Measures and Access to Premises

28. The Premises is secured by a razor-topped fence, an electronic gate that remains locked and can only be opened using a passcode, and a log chain wrapped around the gate.

29. In addition, the Premises is monitored using video surveillance.

30. Following Gaffney BPW's termination of its lease of the Premises to Litchain, the gate has remained locked. Gaffney BPW has not utilized the Premises, and its employees have not accessed the containers housing the cryptocurrency mining equipment and other equipment left onsite (nor did they when the lease was active).

31. Prior to the inventory and assessment occurring on October 19, 2023, Gaffney BPW never allowed anyone on the Premises for the purpose of inspecting the cryptocurrency mining equipment. Prior to the collection process beginning November 6, 2023, Gaffney BPW never allowed anyone on the Premises for the purpose of collecting the cryptocurrency mining equipment.

32. Pursuant to the terms negotiated between Gaffney BPW and Blockquarry, Gaffney BPW has only allowed previously disclosed representatives of Blockquarry on the Premises for

the purpose of inventorying, inspecting, and collecting the cryptocurrency mining equipment and has never permitted the release of the cryptocurrency mining equipment to anyone but the previously disclosed representatives of Blockquarry on the dates referenced herein.

33. Gaffney BPW has never permitted the removal of aluminum wiring, spooled wire, and other equipment from the Premises by anyone but Blockquarry. Blockquarry removed aluminum wiring, left by the contractor who built the site, when it collected the cryptocurrency mining equipment from November 6, 2023, to November 16, 2023. Aluminum spooled wiring left by the contractor who built the site remains on the Premises. To my knowledge, copper wiring was not purchased or used by Blockquarry for the construction of the cryptocurrency mining facility and copper wiring has never been kept on the Premises.

34. At some point prior to October 11, 2023, Bit5ive, the contractor who managed the cryptocurrency mining site, contacted Gaffney BPW regarding the retrieval of a Chevrolet truck owned by it that was locked on the Premises and had been since the Premises was actively used as a cryptocurrency mining site.

35. After confirming the truck sought by Bit5ive was not part of the equipment and other personal property claimed in this lawsuit, confirming there was not a court order preventing the release of the truck, and confirming Bit5ive owned the truck by comparing the vin number included on title documentation provided by Bit5ive to the vin number on the truck, Gaffney BPW allowed the release of the truck to Bit5ive.

36. The truck was released to a previously disclosed representative of Bit5ive the afternoon of October 11, 2023. I monitored the entire transaction. The containers and cryptocurrency equipment locked on the Premises were not disturbed. I unlocked the gate, took

the tow truck directly to the truck, monitored the loading process, and securely locked the gate once the truck had been removed from the Premises.

37. At no point during the release of the truck on October 11, 2023, did anyone touch, access, or remove the containers, cryptocurrency mining equipment kept in the containers, office trailer, and other personal property left on the Premises.

38. Other than the unannounced visits by Blockquarry referenced herein, I have never been advised of suspicious activity on the Premises, have not been made aware of attempts by unauthorized third parties to access the site, have not been informed of potential security breaches, and have permitted or been informed of the release of cryptocurrency mining equipment owned by Blockquarry and its clients to anyone but Blockquarry.

I declare under penalty of perjury that the foregoing is true and correct.

FURTHER AFFIANT SAYETH NOT.

H. BRADFORD WRIGHT



H. Bradford Wright, Electrical Superintendent,
Gaffney Board of Public Works

Executed: 2/27/2024

Sworn to before
me this 27th day
of, February, 2024.

Justin W. Chapman
My commission expires: 3-6-30





WRIGHT DECLARATION - EXHIBIT A



